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Johnston, James

Trades unionism and
co-operation

Manchester

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TRADES UNIONISM AND CO-OPERATION.

By JAMES JOHNSTON, J.P.,

MANCHESTER.

ISSUED BY

THE CO-OPERATIVE UNION LIMITED, LONG MILLGATE, MANCHESTER.

TRADES UNIONISM ^{AND} CO-OPERATION

By JAMES JOHNSTON, J.P.

BOTH THESE FORMS OF COMBINATION are serving a great and useful purpose in bringing into existence better conditions all round for the workers, the wealth-producers of the world, but only the first stage has yet been reached. Few of those who could be helped by these means realise the power that is available, and foolishly hold aloof from Collective action, the only means in their power to place them in the position of masters of the capital produced by their labour, instead of being its slaves, as they practically are, under existing conditions.

In spite of the ameliorations in the condition of the workers, by alterations in the law and in other ways, as great a need exists to-day as ever for changed conditions in the interest of the producers.

The demon of cheapness pervades all ranks, and sweating is practised in more trades than we think of. In our own city of Manchester women and girls toil nearly all their lives at starvation rates of wages. There are busy dens where they are kept at work for many hours longer than the Factory Act allows for a paltry pittance of 6s. per week. The average wage of the women workers of this country only amounts to 2d. an hour, and surely such a result, in addition to the large number of unemployed, and the starvation rate of wages paid to large numbers who do work, ought to compel all who believe in the practice of Truth, Righteousness, and Justice to

find out and practise methods by which these evils can be removed or reduced to the lowest point possible; for in a country producing wealth to the amount of £1,450,000,000 annually, which, if divided equally to every group of five, gives about £180 a year to each group, indicates that we are not suffering from inability to produce sufficient wealth for all, but that its distribution is inequitable. This, then, is the problem we have to solve, to give subsistence to the submerged tenth—a class constantly on the verge of starvation—so that they may be enabled to live full lives, physically, morally, and intellectually.

Trades Unionism has existed in certain forms—Guilds or Fraternities—for over 500 years, but the more urgent necessity for such associations of workers became pressing when the great industrial revolution took place, the general introduction of machinery and the factory system destroying the friendly association of workers and employers under the system of domestic manufacture previously existing. Trades Unions, primarily, are industrial in their scope, and concern themselves with wages, hours of labour, and other conditions affecting the workers in their daily occupations; but they have done a larger work in influencing legislation, by which increased protection has been secured to life and limb, the abolition of abuses in the workshop, fines etc., securing better sanitation, the passing of the Truck Act, the Employers Liability Act, factory inspection, the recognition of a living wage principle in State and Municipal contracts, and the organisation of a great statistical department to deal with all matters affecting labour, and by means of the increased comforts conferred on their members have helped to bring about a better, moral, and intellectual condition, creating a feeling of independence, community of interest, and mutual help, instead of isolation and selfishness.

The membership of Trades Unions in this country is estimated to be about one and three-quarter millions, and their income about £2,000,000 per annum: a record of considerable magnitude, but not by any means as large as it ought to be, for there are upwards of ten millions of workers eligible for membership. The good result of combination is shown especially in the textile trades, for where the union is

strong, as in Lancashire, wages are good; but where it is weak, as in Yorkshire, very much lower rates of wages prevail. The building trades combination shows a similar result, for in London, Manchester, and other places where the unions are strong, the highest rates of wages are paid, whereas in the west of England, around the south coast, and in country districts where Trades Unionism is little practised, the rate of wages is little more than half the amount paid in the first-named places.

The alkali trade at Widnes affords an excellent illustration of the value of combination on the one hand, and the loss where no combination exists. The men's union there is practically non-existent, and, in consequence, the wages during the past six or seven years have diminished nearly 50 per cent., while the masters, who have syndicated their interests (formed a Trade Union in fact), have during the same period been able to raise the price of their finished products by nearly 50 per cent., bicarbonate of soda from £5 5s. per ton to £7, and bleaching powder from £5 10s. to £7 5s. per ton.

This shows the necessity for an extension of Trades Unionism, and the disastrous termination of the engineers lock-out emphasises it. 90,000 men were affected by this dispute, and during the 30 weeks it lasted about £925,000 were expended by the A.S.E. and allied trades, and about £3,255,000 were lost in wages. It is estimated that the working men of this country have lost £4,680,000 in this struggle, and the estimated loss of the employers is £5,696,000, a total of £10,376,000.

In America 170,000 miners have been on strike, and a short time ago 23 of them were shot dead and 40 seriously injured. Sixty-five trade disputes occurred in July last in Britain, about the monthly average, indicating a large amount of unrest amongst the workers.

The calamitous defeat of the engineers has shown that the workers' organisation is far from perfect, not only in point of numbers (less than one worker in five being now associated with their particular union), but in their lack of combination with other unions. The success of the masters in the recent battle was due almost entirely to their Federation, and the workers must adopt a scheme for the general federation of their unions

before they can hope either to win battles in future or successfully repel attacks.

The Danish Engineers were locked out from June 8 to September 8 of last year, the dispute commencing with a firm who paid their men a rate of wages below the average. The men struck for an increase of wages up to the general level, and the federated employers locked out their men, to support the firm affected, to the number of 4,500, out of a total of 7,500. The men were federated (so are most Trade Unions in Denmark) with the Social Democratic Labour Party, who endorsed the action of the men on strike, made a levy on the members of the unions in the Federation to support those locked out, with the result of winning the battle for the men.

The essentials in Trades Federation are Equality of Payments, Equality of Benefits, and Equality of Representation. By a levy of, say, 6d. per week on each member composing the 1,487,562 who are enrolled in the 1,330 unions making returns to the Labour Department Board of Trade, a sum of £1,500,000 per annum would be realised, sufficient to fight and win the most severe trade struggle we can imagine, paying sufficient weekly to the men while out, and to accumulate capital to start workshops under the direct control of the men themselves—a weapon that would eventually be of greater value than that of the Union itself. The possibilities of Federation are so vast that one wonders the men are so blind to their own interests in not taking advantage of it for the purpose of protecting themselves and securing better conditions.

Federation would also have the advantage of raising money for securing victory in case of a strike or lock-out, without interfering with union funds set aside for sick benefit and superannuation.

What workers can do is shown by the great success of the Co-operative movement, Friendly Societies, and Industrial Insurance Companies. The Prudential Assurance Company was formed in 1848, with a capital of less than £6,000; since then shareholders have drawn over £2,500,000, and the accumulated funds are over £30,000,000. The expenses of the Industrial business during the period I have named have been at the rate of about 40 per cent, equal to £12,000,000,

or a grand total of £41,000,000, money derived entirely from the working classes. The premium income in 1897 was £4,793,591. Surely the workers are quite capable of managing a business of this kind for themselves, and so securing the profit, which now goes into the pockets of a class who are generally non-producers. The great financial success of the Co-operative movement is a standing testimony to the capacity of the working classes for managing their own affairs, with at least as much ability as the commercial classes, when their eyes are opened to the necessity of undertaking such work.

Robert Owen, his friends and followers, created the ideal of the Co-operative movement, preaching and practising the doctrine of profit-sharing amongst the workers, community of interests, equal educational opportunities, limitation of capital's remuneration to five per cent., etc., and though the stores and societies they established were not permanently successful, they laid the foundation on which to found a better state of society, part of which has been used in the movement begun by the pioneers of Rochdale in 1844, who adopted Owen's limitation of interest on capital, giving the remainder to the purchasers in proportion to the amount each spent at the store.

The intention of the *pioneers* was to provide themselves with capital to commence production, so that their own members could be employed at remunerative rates of wages, with the object of eventually getting production under the sole control of the workers, and the accompanying figures testify to the splendid foresight of the 28 weavers of Rochdale as to what was possible of achievement by means of combination amongst the workers. According to the latest returns the position of the Co-operative movement is as follows for the year 1896:

	Trade.	Capital, Share and Loan.	Net Profit.	Employees— Dist. Productive
Distributive Societies	1,453	£36,942,030	£17,221,471	£5,724,335 28,948 11,103
Productive Societies	259	2,625,000	1,181,644	155,562 7,475
Supply Associations	77	2,625,000	679,933	75,069 2,378 88
English C. W. Society	{ Dist. Prod.	0,695,667 1,149,390	{ 1,879,109 31,950	{ 179,374 31,950 1,514 5,634
Scottish "	"	3,101,838 Prod.	1,143,551 49,426	123,514 753 3,403

The total amount of profit, £6,337,490, is, in addition to interest, £642,861 on share capital, and interest on loan capital of £4,561,032 (the total share and loan being £22,107,956), which is charged in the expense account. The total number of members is 1,492,371. The reserve funds amount to £1,041,094, and the wages paid, £2,134,065, to 61,622 employees.

The Co-operative Union, which exists for propaganda purposes and protecting the interests of the movement generally, has had £6,097 allotted out of profits to enable it carry on its work; £19,112 were devoted to charitable purposes, and Educational work absorbed £46,752. The Wholesale Societies employ about one-third of their total capital in Productive work.

In addition to the objects I have named, the Rochdale Pioneers in their new scheme (of which Distribution was the first step) intended to provide educational facilities for the workers, temperance hotels or clubs instead of the public house, and the acquisition of land to produce their food, and so find employment for their members under proper conditions. The objects, then, of Trades Unionism and Co-operation in their important features are essentially the same. The basis of both is Democracy, and, if it was more fully practised in both organisations, much better results than what actually come about now would inevitably follow. The two organisations generally flourish together, and where a place is unsuitable for the one it is generally not a soil on which the other can live and grow strong. The practice of buying cheap goods, without regard to the conditions under which they are produced, is a practice inimical to the best interests of the worker, and two sets of people are to blame: the seller and the buyer. Generally speaking, the lowering of prices of commodities is less valuable to the workers as a whole than raising the standard of living by means of higher wages, and it behoves the worker to ascertain that the goods he is purchasing have been produced under proper conditions.

The system of Co-operative trading is essentially an economical one, for the substitution of a large store in a district, supplied by a number of small shops, must result in great saving in labour and other expenses, hence the

ability to pay dividend to members, after supplying goods at the same price, *taking it all round*, as the ordinary shopkeeper, excepting of course leading lines, which are sold at or below cost price by many private traders to draw in the unthinking, extra profit being obtained on the other articles sold to make up the loss on the special article. A well-managed store, doing a business equivalent to the facilities provided, can hold its own against any fair competitor, providing it does not go in for high dividends. What a high dividend is it is difficult to determine, the local circumstances affecting it very materially; but in the interests of the poorest class of the community, it is most desirable that prices should be as low as possible, so that the largest number may have opportunity of taking advantage of the Co-operative system.

Out of the total Co-operative trade for 1896, £58,000,000, only £4,500,000 (plus the productive work done by Distributive Societies) was productive work, so we are a long way off the realisation of the ideals of the Pioneers of Rochdale, but there is good ground for hope. Education is surely, if slowly, doing its work, and the rising generation will not be content with keeping the movement at work for the mere making of dividend, but will turn it to better use in making better men and women. The business experience gained by working men in the Co-operative movement will be a great factor in the development of Industrial Co-operation, for its partial failure in the past has been largely due to the lack of business administration, so that with the capital of the movement available, and to a large extent a market, well organised and managed, associations of workers for production cannot fail to become permanent successes.

Much time has been wasted at congresses and elsewhere in discussing the best form of production, whether it shall be done by federated societies, such as the English and Scottish Wholesales, or by Associations composed of the workers themselves, finding part of the capital and obtaining what more is necessary from Co-operative Distributive Societies.

Another plan, the conversion of existing workshops into Co-operative Associations, has not been adopted to any appreciable extent in this country, Wm. Thomson and Sons, of Huddersfield, being practically the only representative of

that kind, but in France there are notable examples of that type, viz., Godin's Association at Guise, and Leclaire at Paris.

In the English Wholesale Productive Works the employees are paid Trades Union rates of wages, have the best conditions of work, but receive no share of the profits, for after paying interest on capital, etc., the remainder of profit goes to the consumer, and the workers have no voice in the management. The Scottish Wholesale pays its workers a small share of the profits, and gives them some part in the management by allowing them to send a certain number of Delegates to the quarterly meetings of the society.

In the other form of Co-operative production it is a general rule to allot a large percentage of the profit made to the workers after paying 5 per cent. interest on capital and other charges, but not in all cases are the workers allowed to sit on the committee of management. The payment of bonus appears to me to be a matter of minor importance, for I would prefer to reserve the profit for the extension of productive work rather than pay it away in small sums, thereby destroying its usefulness and power to a material extent, but the representation of the workers upon the committee of management I look upon as a matter of prime importance, for unless there is direct and sympathetic contact between the directors and workers there is constant danger of friction, and any system of productive organisation that permits the possibilities of strikes or lockouts is not truly Co-operative. The workers must be the capitalists also.

I would not, however, deprecate any form of Co-operative production, for it all tends to break down the capitalistic individualistic system which Co-operation will eventually replace. In our Wholesale workshops we are able to pay the women and girls who make shirts 15s. to 16s. a week average wages for an eight hours working day, while many of their poor sisters under the competitive and sweating system have to make shirts for 3d. a dozen, working 12 to 14 hours a day to earn 7s. to 8s. a week.

Godin's Association at Guise is a splendid example of what can be done by associated effort, for during the 20 years of its Co-operative existence it has accumulated assets of the

value of £580,000. They not only pay the workers better and work shorter hours than in similar works in France, but train the babies from the earliest age in a nursery, where every care is taken to give the fullest opportunity of developing to the fullest all their faculties, then pass them on to the schools, where they must stay till they are fourteen years of age, house the workers in the best manner, their associated homes giving the workers practically all the advantages of riches, all this being provided for out of the profits of the productive works, and from the same source sick pay, living wage fund, medical attendance, and old-age pensions come also.

To select a sample at home, the figures illustrating the progress of the Leicester Co-operative Boot and Shoe Manufacturing Society Limited, will show what it is possible to achieve in a comparatively short time, the society having been founded only ten years ago, by workers engaged in that trade.

DISPOSAL AS FOLLOWS:						
Yr.	Members.	Capital.	Reserve.	Trade.		
1887	220	£420	£20	£2,800	Reserve Fund £831 0 0
1888	304	1,420	81	8,600	Workers 4,062 0 0
1889	578	3,480	173	13,674	Committee 1,272 0 0
1890	708	4,371	184	19,740	Custodians 2,025 0 0
1891	737	4,776	250	25,134	Dividend on Capital 1,216 0 0
1892	846	6,055	347	32,544	Educational Fund 510 0 0
1893	925	9,009	442	33,375	Provident Fund 1,005 0 0
1894	964	11,502	493	37,377	Special Service Fund... 296 10 0
1895	1,021	15,126	669	38,390	Charitable and Propagandist	
1896	1,064	19,625	881	47,152	Agencies 133 10 0
					Spe'l Depreciation Machinery	100 0 0
					Removal Fund 147 10 0
					Special Insurance 10 0 0
						£11,749 0 0

The workers are all Trades Unionists, and receive the highest rate of wages, and each department in the works has a representative on the Committee of Management.

The existence of Co-operative Productive Societies had great effect on the lock-out of the Boot and Shoemakers in 1895, for the Co-operative workers were kept employed during the whole of the lock-out, and were able to give material assistance to their fellow-workers, and this enabled a stronger resistance to be made against the demands of the employers, and its practical result was the obtaining of better conditions for the workers than would have been possible by means of their Trades Unions alone.

If the Engineers had been able to fall back on the profits or means of employment that would have been obtainable from productive workshops of their own, in the recent dispute, they would not have been compelled to accept the hard terms that have been imposed by the victors.

It is estimated that £40,000 were contributed by Co-operative Societies to the Engineers' funds in the late dispute, a sum that must have helped to make it easier for the locked-out men to continue the struggle as long as they did.

The two organisations—Trades Unionism and Co-operation—should therefore join hand-in-hand, for the object of both is the same: to raise the condition of the workers, and secure for him the just reward for his labour. It is not only the duty of every worker to become a member of a Trades Union, but also another obvious duty, to become a Co-operator, for Trades Unionism will but take him a part of the way to the goal of industrial emancipation, which can only be reached by means of Co-operative Association, and carried on with discipline and mutual confidence, has in it a moral force that can never be checked for lack of capital.

There are greater examples of the power of Collectivism even than those I have quoted: Our national workshops in which we build our ships, guns, and other war material; the control of our post office and telegraphs; municipal co-operation, by which the people provide for themselves water, gas, education, and recreation; and it only needs a complete union of co-operators, trades unionists, and other social reformers, to bring under the control of the people, for the benefit of the people, a system of production and distribution that will enable all to secure everything that is necessary for their fullest development physically, intellectually, and morally.



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